

Message Text

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ACTION COME-00

INFO OCT-01 EA-07 ISO-00 EB-08 AGRE-00 CIAE-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03 OMB-01

AID-05 ITC-01 /043 W

-----070944Z 053311 /12

P 070757Z MAR 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 6785

INFO AMCONSUL CEBU BY POUCH

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PASS COMMERCE ATTENTION OFFICE OF INTERNATIONAL MARKETING DAMON
FABRIE

E. O. 11652: NA

TAGS: EAGR, ETRD, RP

SUBJECT: BAN ON EXPORTS OF RATTAN POLES FROM THE PHILIPPINES

REF: A. STATE 37523; B. MANILA 2713; C. MANILA 2740

1. EC/COM COUNSELOR CALLED ON SECRETARY OF TRADE QUIAZON MARCH 4 TO EXPRESS USG CONCERN OVER GOP BAY ON EXPORT OF RATTAN POLES (SEE REFTELS), AND PRESENTED QUIAZON WITH LETTER BASED IN PART ON SITUATION REPORT OF INTERNATIONAL ASSOCIATION OF RATTAN MANUFACTURERS (IARM) FURNISHED BY DEPT. OF COMMERCE AND REQUESTING RESCISSION OF EMBARGO. ALTHOUGH IARM REPORT OBVIOUSLY DATED, IT CONTAINED BEST INFORMATION AND ARGUMENTS AVAILABLE TO US AGAINST BAN, AS SIMMONS OF FEANZA TRADING CO. (SEE REF A) DID NOT RPT NOT CONTACT EMBASSY.

2. QUIAZON CONTENDS THAT EXPORT BAN IS NECESSARY BECAUSE "SUPPLY OF PHILIPPINE RATTAN IS ALMOST EXHAUSTED." HE STATED THAT GOVERNOR SANCHEZ OF THE BOARD OF INVESTMENTS
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TOLD HIM THAT PHILIPPINE INDUSTRY CAN USE ALL OF THE POLES PRODUCED AND THAT SECRETARY LEIDO OF THE DEPARTMENT OF NATURAL RESOURCES CONFIRMS THAT THE SUPPLY OF RATTAN IS IN DANGER OF DEPLETION. HE UNDERTOOK TO CONVEY OUR LETTER TO LEIDO AND COME BACK TO US WITH HIS REACTION.

3. IN REPLY TO EC/COM COUNSELOR'S QUESTION ON PRICE

SITUATION, QUIAZON ADMITTED THAT EXPORT PRICES WERE HIGHER THAN DOMESTIC PRICES, BUT THAT EXPORT DEMAND NEVERTHELESS REMAINED VERY STRONG. COMMENT: EMBASSY ASSESSMENT IS THAT THERE IS VERY REAL PROBLEM IN MAINTAINING RATTAN SUPPLIES OVER THE MEDIUM OR LONG TERM. WHILE CURRENT SUPPLIES ARE MORE THAN ADEQUATE TO FILL CURRENT PHILIPPINE DEMAND (AND QUIAZON'S COMMENTS ARE, THUS, OVERDRAWN), BASIS DOES NEVERTHELESS EXIST FOR GOP CONCERN. END COMMENT

4. WHEN EC/COM COUNSELOR ASKED WHAT EFFECT BAN WOULD HAVE ON EXISTING CONTRACTS, QUIAZON REPLIED THAT THE BAN WAS EFFECTIVE FROM FEBRUARY 10, AND WENT ON TO REQUEST THE FOLLOWING INFORMATION: HOW MANY CONTRACTS WITH U.S. COMPANIES WILL BE AFFECTED, AND WHAT IS THE QUANTITY AND DOLLAR AMOUNT INVOLVED AND WHAT ARE THE DATES OF DELIVERY. QUIAZON ALSO ASKED FOR THE LATEST DATA ON IMPORTS OF POLES FROM THE PHILIPPINES AND FROM OTHER COUNTRIES INTO THE UNITED STATES BY QUANTITY AND BY DOLLAR AMOUNT.

5. EMBASSY REQUESTS DEPARTMENT OF COMMERCE PROVIDE THIS INFORMATION AS QUICKLY AS POSSIBLE FOR TRANSMISSION TO QUIAZON. IN ADDITION, EMBASSY REQUESTS LATEST DATA ON RATTAN FURNITURE INDUSTRY IN THE UNITED STATES, INCLUDING BUT NOT LIMITED TO: NUMBER OF FIRMS, NUMBER OF EMPLOYEES AND ANY SPECIAL CIRCUMSTANCES THAT MAKE SUPPLY FROM PHILIPPINES PARTICULARLY IMPORTANT. EMBASSY WILL BASE SUBSEQUENT REPRESENTATIONS ON THIS DATA.

6. EC/COM COUNSELOR ALSO RAISED PROBLEM WITH AND REQUESTED LIMITED OFFICIAL USE

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ASSISTANCE OF AMBASSADOR PABLO SUAREZ, ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS, DEPARTMENT OF FOREIGN AFFAIRS, DURING COURSE OF EA-GEBER'S MARCH 3 CALL ON SUAREZ. HE WAS NON-COMMITTAL AND SEEMED RELIEVED THAT EMBASSY WAS PURSUING PROBLEM WITH DEPARTMENTS OF TRADE (AND NATURAL RESOURCES). COPIES OF EC/COM COUNSELOR'S LETTER TO QUIAZON WERE ALSO SENT TO SUAREZ AND SECRETARY JOSE LEIDO, DEPARTMENT OF NATURAL RESOURCES.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EMBARGOES, FOREIGN INVESTMENTS, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA03309
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770077-0708
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770386/aaaacycr.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 525281bc-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 77 STATE 37523, 77 MANILA 2713, 77 MANILA 2740
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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TAGS: EAGR, ETRD, RP
To: STATE
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